

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,

Plaintiff,

-against-

BLUEHIPPO FUNDING, LLC

and

BLUEHIPPO CAPITAL, LLC,

Defendants.

CIVIL NO. 08 CV 1819 (PAC)

DECLARATION OF ANDREW CAMPBELL IN SUPPORT OF OPPOSITION TO ORDER
TO SHOW CAUSE WHY DEFENDANTS BLUEHIPPO FUNDING, LLC AND BLUEHIPPO
CAPITAL, LLC SHOULD NOT BE HELD IN CONTEMPT FOR VIOLATING THE
STIPULATED FINAL JUDGMENT AND ORDER OF PERMANENT INJUNCTION

I, Andrew Campbell, declare under the penalty of perjury pursuant to 28 U.S.C. § 1746 that the following is true and correct:

1. I have personal knowledge of the facts set forth in this Declaration, and if called as a witness could and would testify competently to such facts under oath.

2. I submit this Declaration in support of the Defendants' Opposition to the Motion for an Order to Show Cause filed by Plaintiff Federal Trade Commission ("FTC" or "Commission").

3. I am employed by BlueHippo Funding, LLC as its General Counsel. In my capacity as General Counsel, I am familiar with litigation involving BlueHippo Funding, LLC and BlueHippo Capital, LLC (collectively, "BlueHippo"). I have also reviewed the Stipulated Final Judgment and Order of Permanent Injunction entered in this case ("Order"), and am familiar with the requirements of the Order.

4. BlueHippo's in-house legal department consists of two lawyers—myself and one other lawyer. No paralegals are employed in BlueHippo's legal department. BlueHippo's other in-house counsel recently went on paternity leave, and I am currently the sole in-house legal advisor for the company.

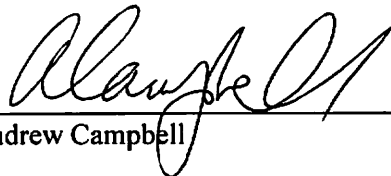
5. Since the date of the Order, BlueHippo has been or currently is engaged in numerous material legal matters, including no less than twelve (12) separate litigation actions. Material litigation includes: three (3) contract or business litigation matters, five (6) class action suits in six (6) different federal and state courts. BlueHippo has also had to contend during this period with multiple suits, investigative proceedings, or other actions by state Attorneys General.

6. While some of these matters have been recently settled, most are being actively and vigorously litigated by the parties. Due to the numerous pending litigation actions, BlueHippo's small legal department is often tasked with simultaneous discovery obligations, which include responding to extensive written interrogatories as well as responding to voluminous requests for documents. Moreover, these demands on BlueHippo's resources generally, and on its in-house legal department in particular, are in addition to the everyday demands from normal operations of the organization. Even the matters that have reached settlement continue to place demands on BlueHippo's personnel and resources as there remains outstanding, on-going, compliance and settlement obligations.

7. Due to volume of demands placed on its relatively small in-house legal department, BlueHippo has been overwhelmed by the competing demands and deadlines imposed by the numerous litigation matters it is facing. BlueHippo is doing its best to comply with all of its legal obligations, including those imposed by the Order.

8. Pursuant to the terms of the Order, BlueHippo has satisfied its \$3,500,000 payment obligation to the FTC and would like to assist Commission staff to ensure that redress is provided all eligible consumers.

I declare under the penalty of perjury that the foregoing is true and correct. Executed on April 14, 2009 at Baltimore, Maryland.



Andrew Campbell